

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** Original  
**POSITION:** Oppose

**BILL NUMBER:** AB 2387  
**AUTHOR:** Smyth, Cameron

**BILL SUMMARY: Occupational safety and health: local public entities: penalty moneys: grants.**

This bill would authorize local public entities to apply for a refund of civil penalties assessed for violations of occupational safety and health laws if the conditions previously out of compliance are corrected.

**FISCAL SUMMARY**

The Department of Industrial Relations (DIR) indicates that the implementation of this bill would result in decreased penalty assessment revenues which are remitted to the General Fund. The DIR estimates the revenue loss to the General Fund at approximately \$200,000 annually as a result of expanding the list of entities eligible to apply for refund of civil penalties.

**COMMENTS**

The Department of Finance opposes this bill because it would create a General Fund pressure by expanding the list of entities eligible for refund of civil penalties assessed for violation of workplace health and safety laws to include local government entities, thereby decreasing General Fund revenues.

Existing law allows for educational entities, police and fire departments, and the Department of Forestry and Fire Protection to apply for a refund of civil penalties levied for violation of occupational health and safety laws if all violations are corrected, any conditions related to any other outstanding citations are corrected, and no subsequent citations for serious violations are issued to the same entity within two years. Additionally, existing law specifies that if an eligible entity does not apply for a refund within two and a half years of the original violation, the funds may be utilized as grant monies to assist these types of entities in establishing occupational injury and illness prevention programs.

This bill would create a similar exception for counties, cities, special districts, public authorities, public agencies, and joint powers authorities and would also create a similar illness and injury prevention program for these entities with those fines and penalties that are not refunded. Finally, this bill specifies that the portion of a penalty distributed directly to an aggrieved employee is not subject to refund.

This bill attempts to restore statutory exemptions for governmental entities from the imposition of civil penalties related to workforce violations, which were repealed by Chapter 615, Statutes of 1999 (AB 1127, Steinberg).

| Code/Department<br>Agency or Revenue<br>Type | SO | (Fiscal Impact by Fiscal Year) |    |           |    |           |                   |
|--|----|--------------------------------|----|-----------|----|-----------|-------------------|
|  | LA | (Dollars in Thousands)         |    |           |    |           |                   |
|  | CO | PROP                           |    |           |    |           | Fund              |
|  | RV | 98                             | FC | 2011-2012 | FC | 2012-2013 | FC 2013-2014 Code |
| 1643/PenAssessm                              | RV | No                             | U  | --        | U  | -100      | U -200 0001       |

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| Analyst/Principal<br>(0241) J.Morozumi | Date | Program Budget Manager<br>Lisa Ann Mangat | Date |
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| Department Deputy Director | Date |
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| Governor's Office: | By: | Date: | Position Approved _____    |
|                    |     |       | Position Disapproved _____ |

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| BILL ANALYSIS | Form DF-43 (Rev 03/95 Buff) |
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